

Message Text

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SUBJECT: TUAC RESPONSE TO OECD ECONOMIC OUTLOOK

FOLLOWING IS TEXT OF JULY 22, 1975 PRESS RELEASE ISSUED
BY TRADE UNION ADVISORY COMMITTEE.

IN VIEW OF THE FACT:

- THAT THE INDUSTRIALIZED COUNTRIES ARE EXPERIENCING
THE WORST RECESSION OF THE POST WORLD WAR II PE-
RIOD WITH NEGATIVE GROWTH RATES IN ALMOST ALL LARGE
COUNTRIES AND MANY SMALL COUNTRIES, WITH DRAMATIC-
ALLY INCREASING UNEMPLOYMENT IN PRACTICALLY ALL
COUNTRIES AND WITH DISASTROUS EFFECTS ON THE DE-
VELOPING COUNTRIES;

- THAT THIS RECESSION IS THE DIRECT RESULT OF
GOVERNMENT POLICIES TAKEN AS EARLY AS 1973-1974
WITH THE INTENT OF COMBATING THE EFFECTS ON INFLA-
TION AND BALANCE OF TRADE OF THE INCREASE OF OIL
PRICES; OF THE DISRUPTION OF THE INTERNATIONAL MONE-
TARY SYSTEM FOLLOWING THE FLOATING DOWNWARDS OF
THE DOLLAR AND OTHER MAJOR CURRENCIES; AND OF
BUILT-IN INFLATIONARY RIGIDITIES AND BOTTLENECKS

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DUE TO THE GROWING CONTROL ON PRICES, CASH-FLOW AND

INVESTMENTS BY OLIGOPOLISTIC MULTINATIONAL COMPANIES;

- THAT HIGH RATES OF INTEREST PURPOSELY BROUGHT ABOUT BY NATIONAL BANKS CONTRIBUTED TO PRICE INCREASES AND TO THE INSTABILITY OF EXCHANGE RATES;
- THAT THE WORKERS IN MOST COUNTRIES ARE EXPERIENCING A LOWERING OF THEIR REAL INCOME THROUGH PRICE RISES, UNEMPLOYMENT AND/OR SHORTER WORKING HOURS, WITH THE CONSEQUENCE OF A MARKED REDUCTION IN THE CONSUMPTION LEVEL OF THE WORKING PEOPLE;
- THAT INCENTIVES TO INVESTMENTS WILL NOT HAVE ANY POSITIVE EFFECTS AS LONG AS CAPACITY UTILIZATION REMAINS AT ITS PRESENT LOW LEVELS, AND THAT BETTER UTILIZATION OF PRODUCTION CAPACITIES WILL CONTRIBUTE TO HOLD PRICE INCREASES IN CHECK.

THE TUAC TRADE UNION MEMBER ORGANIZATIONS:

- DEPLORE THE ONGOING ATTITUDE OF WAIT-AND-SEE AND THEREBY LACK OF PROPER ACTION BY THE GOVERNMENTS OF THE INDUSTRIALIZED COUNTRIES WHICH, IS ENDANGERING THE LIVELIHOOD OF THE WORKERS IN THE ADVANCED AND THE DEVELOPING COUNTRIES AND IS THREATENING DEMOCRATIC INSTITUTIONS WHICH ARE THE SOLE VEHICLE OF ANY FUTURE PROGRESS;
- EMPHASIZE THAT THE REDUCTION OF UNEMPLOYMENT SHOULD BE GIVEN ABSOLUTE PRIORITY IN THE ECONOMIC POLICY OF ALL COUNTRIES; THROUGH PUBLIC INITIATIVES IN NEW INDUSTRIAL PROJECTS AND THROUGH PLANNING AGREEMENTS TO DEMOCRATIZE AND CONTROL THE ECONOMY AT LARGE;
- CALL ON THE GOVERNMENTS OF THE INDUSTRIALIZED COUNTRIES TO STIMULATE EFFECTIVE DEMAND IN THEIR ECONOMIES, AS ANY REAL UPTURN CAN ONLY BE ACHIEVED BY INCREASING PRIVATE AND PUBLIC CONSUMPTION VIA PUBLIC INVESTMENTS IN THE FIELDS OF SOCIAL HOUSING, TRANSPORTATION AND COMMUNITY FACILITIES, HEALTH NETWORK, COLLECTIVE EQUIPMENT, OLD AGE PENSIONS, ETC. (IF NECESSARY BY DEFICIT BUDGETING);
- CALL ON ALL GOVERNMENTS TO MAKE A DETERMINED EFFORT TO OVERCOME MONETARY INSTABILITY AND TO COORDINATE MORE EFFECTIVELY THEIR POLICIES TOWARDS LOW RATES OF

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